G. R. S. IX-5]

Previous references.

P 25E

Later references.

Preserved

1918.

(67)

File No. 254-18

Serial Nos. 1-5

Reserve

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 5

Part B for November 1919

SUBJECT.

Proposals for systematising the work relating to the Annual Reports on Accounts and Audit to be submitted by the Comptroller.

8:5. To

The Comptroller, Secretary, P. W. D, Secretary, Railway Department and Chief Electrical Engineer.

No. 7L 2745-48 dt. 4. 11. 1919.

Sanctions the suggestion of the comptroller for the abolition of the preparation of separate finance Accounts of the Public Works, Electrical and Railway Departments.

W D 1250—GPB—30,000—28-1-19

G. R. S. III-1] 1918.

GENERAL AND REVENUE SECRETARIAT

(57)

NOTES.

File No. 252-18

FILE HEADING.

Proposals for Systematising the work relating to the annual Reports on Accounts & Audit to be Submitted by the Comptroller

From

The Comptroller

No. U.O. No. 2937 Todar. Dated 10. 4. 19 Received 12. 4. 19.

Diary No. 2761] Enclos. Spare Copies. [Serial No. 1

BRIEF ABSTRACT OF LETTERS.

with reference to last para of G.O No 71 746-95 G.7 282-17-1 D 5. 8/18. States Mar. Under the present arrangement of the Submission of Annual Returns there is Considerable overlapping marlier & duplication of work & Suggests for the reasons stated that the returns No 8. 4. 5. 6 noted in para 2 of the D.O may be discontinued

NOTES AND ORDERS.

14. G

* G.O. No 71 746-95 G.7 282-17-1 D. 5. 8/18, &

* G.O. No. 71 1928-77 G.7 101-18-1 D. 5. 10/18 are put up

The Returns Submitted to Govt are shown in para 2 of the paper under disposal

NOTES—First Sheet.

G. R. S. 111-2]

General and Revenue Secretariat.

File No. 284 of 1918.

Serial No.

1) Audit and Appropriation Reports
2) Finance and Revenue Accounts
3) Review of Balances
4) Finance Accounts of the P.W.D.
5) The Electrical Deptt
6) State & other Rys.

It is urged for the following reasons that returns nos 4. 5. 6. may be discontinued

1) There is considerable overlapping matter.

2) The conditions under which Separate annual Reports were compiled for the last three Returns have changed. Now there is only one Accounts Dept. where the transactions relating thereto are accounted and the present forms of Budget is complete in every respect.

3) The Comptroller has also pointed out the extent to which there is overlapping and the proper place where the rest of the matter not coming under the three broad divisions shown in para. (4). should appear.

Subd. note 19/4/19 — Copy of the Finance Accounts of the Electrical Deptt (16-17) and Copy of no. ___ State & other Railways - 16-17. referred to in paras 9 & 10 of the P.W.D. respectively are put up

Subd 19

NOTE—Contn. sheet.

G. R. S. III-2]

2761

3

General and Revenue Secretariat.

Sl File No. 252 of 1918.

Serial No.

Hlap. H & C. not-in file. 18.

ps 217 are put up

Post w/r 15/5/19.

4 The point for order is the abolition of the separate Finance accounts of the P. W., Medical and Ry Offs, and the incorporation of the matter contained in them in the other reports of Audit & appropriation, Finance & Rev accts, and the various balances —.

2) The enquiries pursuant in regard to the abolition of the D.P.W. Medical offs separate returns may be approved —

A | if the D.P.W. (Medical offs) agree — Their opinion ought to be called.

3) As regards the Fin and Rev. accts of the State system Ryo —, the Ry audit opinion is independent of the enquiries, separate returns may perhaps be required for submission to the Ry Board, or for departmental purposes; and, if so, it seems desirable to continue the present arrangement of having separate returns prepared — in the Ry audit office itself —

B. | The Ry Secy may also be consulted.

Not changed

2697/15/5

Secy.)

18 12/5/19

NOTE—Contn. sheet.

A + B. Yes

2

16/5 18 16/5

G. R. S. III-2.

2761

General and Revenue Secretariat. | Gp — File No. 282 of 1919.

Serial No.

1 Subs mitw draft.
Letter
220
23/9
mm

Issued 24/9

To

The Secretary P.W.D
" Secretary for Railways
No Fl 6492-3. D. 4. June 1919.

Forwards copy of Controller's letter No C.O 2937 Book Dated 10th April 1919. - for favour of opinion on para 5th of it

Subs.

6/6.

2

From The Secretary P.W.D.
No P.W. 2 / M-12 dated 2nd July 19.

3.

With reference to the enquiry in the 3rd Serial - States that the Controller proposal for the discontinuance of Separate Finance Rep: Accts for P. works & the Electrical Dept. may be approved

Q The Reply from the Secy for Railways has not yet been received here may it be awaited

D.No D 4/9.

Subs
mitw.
8/7.

Reminder Fl 926 dated 7-8-1919 issued to the Railway Secretary ~~and the Railway Secretary~~

NOTE—Contn. sheet

G. R. S. III-2]

General and Revenue Secretariat.

77
& 713
1919

C7 File No. 254 of 1919.

Serial No.

4. No 366 dated 26-8-919 from the Secretary for Railways.

States that, in view of saving duplicate clerical work, he agrees with the proposal of the Comptroller to discontinue the preparation of separate Finance Revenue accounts for the Railway Department.

X = D. 4 The replies received are flagged* Subd. A draft G.O. also is attached for approval & order or else

BSR 3-9-19 10 Reference is invited to Rly Sec. Note dy 12-9-19.

TBL 11/9. 15 Putting a clean draft for issue to Hons

18 12/9

Clean Draft is subd

BSR 13-9-19 Hons)

TBL 15/9

B The draft may be approved

18 30/9/19

Dewan) [redacted]

18 11.10.

1. (Draft approved by the Dewan)

17 Done Omr 17-10-19.

18 17.10

DEWAN'S OFFICE.
Recd. on OCT 15 1919
Reg. No. 2462
NOTE—Conts. sheet.

13

G. R. S. III-2]

General and Revenue Secretariat.

G7 File No. 254 of 1918.

Serial No.	
5	H 2745-8 | G7 254-(8-5 dated 4th Nov 1918
	To the Comptroller (2) Secretary PW Deptt
	(3) Secretary Rly Deptt & (4) Chief Electrical Engineer
	Sanction the suggestions of the Comptroller
B	

NOTE—Contn. sheet.

U.O. No. 2937 Books dated 10-4-1919

G.7 254-18-1 D 2961

Fin. & Rev. Secy. 6d199
11 APR 1919

I beg to submit in this note some proposals for systematising the work relating to the submission by this office of the annual reports on accounts and audit.

2. The following reports are now prepared annually for submission to Government and also for publication in some cases :-

1. Audit and Appropriation Report
2. Finance and Revenue Accounts.
3. Review of Balances (this is not being prepared every year now)
4. Finance Accounts of the Public Works Department
5. Finance Accounts of the Electrical Department
6. Finance Accounts of the State and Other Railways.

3. The statistical information and report included in Accounts Nos.4, 5 and 6 appear, though in less detail, in report Nos.1, 2 and 3. According to the present arrangement there is a great deal of overlapping matter between the first three and the last three reports. The conditions under which separate reports for the Public Works, Electrical and Railway Departments were compiled have changed completely. The arrangement under which separate annual accounts were compiled for these departments was, I think, due to there having been an Account Office for these departmental accounts separate from the --- department of Civil Accounts. We have now only one Account Department and the transactions relating to these three --- departments are accounted for in the same way as those of other departments except that the accounts kept of these departments follow the nature of the transactions conducted by them. The Budget in its present form is complete in every respect and includes the detailed budgets of the three departments - Public Works, Electrical and Railway Departments. The Authorisation Rolls and Working Estimates of Open Lines of Railway have not yet been included in the Budget but their inclusion has been ordered by Government. So far as the submission of annual

8

accounts is concerned, the most natural arrangement is to deal with work of the same nature relating to all the heads on the books of the Account Department together instead of scattering the same matter over several reports.

4. The chief annual reports relating to accounts and audit to be submitted by the Account Department come under the following three broad divisions:-

(1) A report on the results of audit. This is the Audit and Appropriation Report.
(2) A Report for furnishing statistical information relating to all the financial transactions of -- Government. This is the Finance and Revenue Account.
(3) A Review dealing with the assets and liabilities of Government and reporting if these rest on detailed accounts and on the agreements of debtors and creditors. This is the Review of Balances.

5. There is no reason why matter pertaining to the Public Works, Electrical and Railway Departments and falling within the scope of these three reports should have a separate report for each of these Departments. The three reports should be comprehensive and include every information relating to all departments of the State. In this view, it seems to me that it is not necessary to prepare separate Finance Accounts for the three Departments at all.

6. I shall now note the matter ~~now~~ included in these separate reports and how far it already appears in the first three reports noted above and where the rest of the matter which is not now included in the three reports and which, it is desirable to retain, should appear.

Finance Accounts of the P.W.D.

7. I request reference to para 1755 of the Public Works Code. The Finance Accounts consist of the following:-

(1) A report containing a comparison of the year's actuals with the Budget of the year and the actuals of the previous year.
(2) A report on objectionable outlay.
(3) A Review of Suspense Balances.

(4) Schedules of Revenue and Expenditure under State Funds.
(5) Schedules of Revenue and Expenditure under other than State Funds.

The place for reporting upon the suspense balances is the Review of Balances. This arrangement has been adopted in British India (Vide para 1440 A to E. Civil Account Code. Volume II.) The fit place for reporting upon (2) is the Appropriation Report. Outlay under objection in all these departments is even now included in the Appropriation Report. It has also been ordered that a quarterly review of objectionable expenditure and other irregularities in the accounts of all departments should be separately submitted to Government Vide G.O.No.Fl.1928-77/G.F.101-18-1 dated the 5th October 18. Repetition of the same matter in the Finance Accounts is an unnecessary duplication. The audit and Appropriation Report in its present form contains a comparison of the actuals of the year with the Budget of the year and the actuals of the previous year. The report to be appended to the Finance Accounts makes the same comparison though somewhat in greater detail. The comparison of the actuals with the modified grant now made in the Finance Accounts does not serve any useful purpose and important re-adjustments of grants in the course of the year can be noted, if necessary, in explaining the differences between the actuals and the Budget. As in the case of other heads cases of excesses over or savings on grants have to be explained in regard to these departmental heads and also in the appropriation report.

8. The proper place for item No.4 is the Finance and Revenue Accounts. As a matter of fact details of the revenue and expenditure of the Public Works department by major, minor and detailed heads are now included in the Finance and Revenue Accounts. The tabular statements appended to the Finance Accounts show in juxtaposition the actuals, the Budget of

the year and the actuals of the previous year. This however is not necessary in detail of detailed heads. In detail of minor heads this comparison is made in the body of the Audit and Appropriation Report. Items 4 and 5 appear in the Departmental Administration Reports in the form of the schedules appended to Finance Accounts. It is not necessary to repeat them again in the same form in any other place. The year's transactions under State Funds are brought on the Finance and Revenue Accounts. An appendix of original works costing Rs.20,000 and more is --- attached to the Finance Accounts and this may be made an addition to the Finance and Revenue Accounts.

Finance Accounts of the Electrical Department.

9. The matter special to these accounts is the following:-

(1) List of Contribution Works (Page 6 of Accounts for 1916-17.)
(2) Statement of Capital authorised and expended (Pages 12 to 18)
(3) Revenue Account (Page 22)
(4) Statement of Revenue Expenditure charged to Depreciation Fund (Page 23).
(5) Depreciation Fund Account (Page 24)
(6) General and Sectional Profit and Loss Accounts and Balance Sheets (Pages 25 to 33)
(7) Financial Results.
(8) Appendices A, B, and C about working results and power generated.

Number (7) is now included in the Finance and Revenue --- Accounts. The others may be added to the same accounts. The rest of the matter contained in these accounts may be dealt with as in the case of the similar matter of the Public Works Department.

10. Finance Accounts of State and Other Railways.

The matter special to these accounts is the following:-

(1) Detailed accounts of gross receipts and working expenses (Pages 20 of the accounts for 1916-17)
(2) Detailed account of expenditure on Surveys (Pages 21 to 26

(3) Current and up to date expenditure in detail of main heads of Capital on Railways worked by M.& S.M.Ry Co.

(4) Year's and up to date expenditure in detail of main heads of Capital, on Railways constructed by Govt.

Item No.(1) is already included in the Finance and Revenue Accounts. Item No.(2) may be added to the Finance and Revenue Accounts. Items Nos.3 and 4 are included in the Finance and Revenue Accounts but not in detail of main and sub heads of Capital Account. The account now included in the Finance and Revenue Accounts can be amplified in the form of that in the Finance Accounts, if necessary. The rest of the matter contained in these Accounts can be dealt with as in the case of the similar matter of the Public Works Department.

11. In para 12 of Government Order No.Fl.746-95 G.F.232-17-I dated the 5th August 1918 issuing instructions systematising the preparation of Capital and Revenue Accounts of Public Works etc, I have been asked to avoid duplication of work as far as possible and submit to Government any changes in the form of the separate Capital and Revenue and Finance Accounts of works relating to Railway Irrigation, Public Works other than Irrigation and Hydro-Electric Power Works. ~~My~~ The suggestions contained in the foregoing paragraphs are in accordance with this order.

Comptroller.

CV/9-4

To The Financial Secretary, to Government

G.F. 25-8-2

GPB—5,000—23-7-15

G. R. S. 33]

No. H 6492-3

GOVERNMENT OF H. H. THE MAHARAJA OF MYSORE.

General and Revenue Secretariat.

( )

dated the 4th June 1919.

Forwarded with Compliments to the 1 Secretary P.W.D. 2 Secretary for Railways for favour of opinion on paras 5 & 10 of the Comptroller's ~~letter no~~ U.O. 2937 dated 10.4.19: in re the Discontinuance of a Separate Finance & Revenue account Book of P.W. Dept. Elect. " State & other Rys.

By Order,

Illegible
for Chief Secy.

List of Papers forwarded.

~~Copy of~~ U.O. Letter no 2937 dated 10th April 1919. from the Comptroller Books

hm

Unofficial Note No. 2937/Books dated 10.4.19 from the Comptroller in Mysore to the Financial Secretary to Government

I beg to submit in this note some proposals for systematising thw work relating to the submission by this office of the annual reports on accounts and audit.

2. The following reports are now prepared annually for submission to Government and also for publication in some cases.

1. Audit and Appropriation Report.
2. Finance and Revenue Accounts.
3. Review of Balances. (This not being prepared every year now.)
4. Finance Accounts of the Public Works Department.
5. Finance Accounts of the Electrical Department.
6. Finance Accounts of the State and Other Railways.

3. The statistical information and report included in Accounts Nos. 4,5 and 6 appear, though in less detail, in report Nos. 1,2 and 3. According to the present arrangement there is a great deal of overlapping matter between the first three and the last three reports. The conditions under which separate reports for the Public Works, Electrical and Railway Departments were compiled have changed completely. The arrangement under which separate annual accounts were compiled for these departments was, I think, due to there having been an Account Office for these departmental accounts separate from the department of Civil Accounts. We have now only one Account Department and the transactions relating to these three departments are accounted for in the same way as those of other departments except that the accounts kept of these departments follow the nature of the transactions conducted by them. The Budget in its present form is complete in every respect and includes the detailed budgets of the three departments.- Public Works, Electrical and Railway Departments. The Authorisation Rolls and Working Estimates of Open Lines of Railway have not yet been included in the Budget but their inclusion has been ordered by Government. So far as the submission of annual accounts is concerned, the most natural arrangement is to deal with work of the same nature relating to all the heads on the books of the Account Department together

instead of scattering the same matter over several reports.

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(3) A Review dealing with the assets and liabilities of Government and reporting if these rest on detailed accounts and on the agreements of debtors and creditors This is the Review of Balances.

5. There is no reason why matter pertaining to the Public Works Electrical and Railway Departments and falling within the scope of these three reports should have a separate report for each of these Departments. The three reports should be comprehensive and include every information relating to all departments of the State. In this view, it seems to me that it is not necessary to prepare separate Finance Accounts for the three Departments at all.

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(2) A report on objectionable outlay.
(3) A review of Suspense Balances.
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(5) Schedules of Revenue and Expenditure under other than State Funds.

The place for reporting upon the suspense balances is the

Review of Balances. This arrangement has been adopted in British India (Vide para 1440 A to E. Civil Account Code, Volume II.) The fit place form reporting upon (2) is the Appropriation Report. Outlay under objection in all these departments is even now included in the Appropriation Report. It has also been ordered that a quarterly review of objectionable expenditure and other irregularities in the accounts of all departments should be separately submitted to Government, vide G.O.No. Fl.1928-77/G.F. 101-18-1 dated the 5th October 1918. Repetition of the same matter in the Finance Accounts is an unnecessary duplication. The Audit and Appropriation Report in its present form contains a comparison of the actuals of the year with the Budget of the year and the actuals of the previous year. The report to be appended to the Finance Accounts makes the same comparison though somewhat in greater detail. The comparison of the actuals with the modified grant now made in the Finance Accounts does not serve any useful purpose and important re-adjustments of grants in the course of the year can be noted, if necessary, in explaining the differences between the actuals and the Budget. As in the case of other heads cases of excesses over or savings on grants have to be explained in regard to these departmental heads and also in the appropriation report.

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Finance Accounts. It is not necessary to repeat them again in the same form in any other place. The year's transactions under State Funds are brought on the Finance and Revenue Accounts. An appendix of original works costing Rs.20,000 and more is attached to the Finance Accounts and this may be made an additionm to the Finance and Revenue Accounts.

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9. The matter special to these accounts is the following:-

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(3) Revenue Account (Page 22.)
(4) Statement of Revenue Expenditure charged to Depreciation Fund (Page 23.)
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(6) General and Sectional Profit and Loss Accounts and Balance Sheets. (Pages 25 to 33.)
(7) Financial Results.
(8) Appendices A, B, and C about working results and power generated.

Number (7) is now included in the Finance and Revenue Accounts. The others may be added to the seme accounts. The rest of the matter contained in these accounts may be dealt with as in the case of the similar matter of the Public Works Department.

Finance Accounts of State and Other Railways.

10. The matter special to these accounts is the following:-

(1) Detailed accounts of gross receipts and working expenses (Pare# 20 of the accounts for 1916-17)
(2) Detailed account of expenditure on Surveys (Pages 21 to 26)
(3) Current and up to date expenditure in detail of main heads of Capital on Railways worked by M. & S. M. RyCo
(4) Year's and up to date expenditure in detail of main heads of Capital, on Railways constructed by Govt.

Item No. (1) is already included in the Finance and Revenue Accounts. Item No. (2) may be added to the Finance and Revenue Accounts. Items Nos. 3 and 4 are included in the Finance and Revenue Accounts but not in detail of main and sub heads of Capital Account. The account now included in the Finance and Revenue Accounts can be amplified in the form of that in the

Finance Accounts, if necessary. The rest of the matter contained in these Accounts can be dealt with as in the case of the similar matter of the Public Works Department.

11. In para 12 of Government Order No. Fl. 746-95/G.F.232-17-1 dated the 5th August 1918 issuing instructions systematising the preparation of Capital and Revenue Accounts of Public Works etc., I have been asked to avoid duplication of work as far as possible and submit to Government any changes in the form of the separate Capital and Revenue and Finance Accounts ~~fxf~~ of works relating to Railway Irrigation, Public Works other than Irrigation and Hydro-Electric Power Works. The suggestions contained in the foregoing paragraphs are in accordance with this order.

M. N. Krishna Rao,
Comptroller.

~~To~~

~~The Financial Secretary to Government.~~

TSR.6.

D 77

E 7 254-8-3

Telegraphic Address: *Stateworks*

00577

No. P.W. 2 M. 12.

MYSORE P. W. DEPARTMENT.

CENTRAL OFFICE.

Bangalore, 2nd July *191*9.

From

S. Cadambi, Esquire,
~~KARRUR SRINIVASRAO, ESQ., B.Sc., L.C.E.~~

Secretary to the Government of Mysore,

Public Works Department.

To

The Financial Secretary to Government,

B A N G A L O R E.

Sir

With reference to your Memo No. Fl.6492/G.F.254-18-2 dated 4th June 1919, I am directed to state that under the circumstances reported by the Comptroller, his proposals may be approved and the issue of separate Finance and Revenue Accounts of the Public works and the - - Electrical Departments may be ordered to be discontinued in future.

I have the honor to be,

Sir,

Your most obedient servant,

S. Cadambi

Secretary to Government,

Public Works Department.

E.W.M/30-6.

WD 02802—GPB—3500—15-1-17

191

MYSORE P. W. DEPARTMENT.

No.

From

To

Dated Bangalore, ***191***

Despatched

Enclosure No.

Subject.

D 713

MYSORE RAILWAYS,

Central Offices,

No. 366 Mysore, 26th August, 1919.

Fin. Secy. 27 AUG 1919

G.F. 254-18-4

From

D.G.DANI, Esq., B.Sc., F.C.H.,

Secretary to the Govt. of Mysore for Railways,

MYSORE.

6.8

To

The Financial Secretary to the Government of His Highness

The Maharaja of Mysore - Bangalore.

S i r,

Re: FINANCE & REVENUE ACCOUNTS.

With reference to your Memorandum No.Fl.6493/G.F.254-18-2 dated 4th June 1919, inviting my opinion on para (5) of the Comptrol--ler's Unofficial letter received therewith, I have the honour to - - inform you that in view of saving duplicate clerical work I agree -- with the proposal of the Comptroller to discontinue the preparation of separate Finance & Revenue Accounts for the Railway Department.

I have the honour to be,

S i r,

Your most obedient servant,

23/8

Secretary for Railways,
Government of Mysore.

B.V.C.

Proceedings of the Govt of H.H.
the Maharaja of Mysore.

R e a d :-

H G.O.No.Fl.746-95/ G.F.232-17-1 dated 5th August 1918, issuing instructions for systematising the preparation of Capital and Revenue Accounts of Public Works, etc., and desiring the Comptroller to submit proposals for avoiding duplication of work in the ~~compilation~~ preparation of annual accounts and returns.

P.W.D. 2. U.O.Memo. No. 2937/Bks. dated 10th April 1919 from the Comptroller submitting his proposals in the matter.

(To be read in extenso)

X 3. Letter No.P.W.27 dated 2nd July 1919 from the Secretary, P.W.Department, agreeing to the proposals of the Comptroller regarding the discontinuance of the separate Finance accounts of the P.W. and Electrical Departments

4. Letter No.366 dated 26th August 1919 from the Secretary for Railways agreeing to proposal to discontinue the preparation parate Finance accounts for the Railway tment.

---

r No. Fe2745-48/9+254-8-5

Dated 4th November 19

In his note read above, the Comptroller sts the abolition of the separate -- ice Accounts of the Public Works, rical and Railway Departments and its orders for incorporating the --

May this be
i Printed ?
ii treated as a standing order ?
iii published in the Gazette, English Part ?
iv translated ?
v placed at the disposal of the press ?
vi published in the Gazette, Kannada Part ?

the statements and ~~statistics~~ now contained in them in their ~~appropriate~~ places in one or other of the following returns :-

(i) Audit and Appropriation Report.
(ii) Finance and Revenue Accounts and
(iii) Review of Balances.

2. The proposals of the Comptroller in paper No.2 read above which are calculated to ~~remove~~ duplication of work in the Audit Office and which have been agreed to by the Public Works and Railway Departments in so far as ~~the suggestions relate to~~ their -- departments commend themselves to Government and are accordingly approved.

3. The Review of Balances is not being -- prepared every year and the discontinuance of the separate annual Finance Accounts for the Public Works, Electrical and Railway -- Departments assumes the submission of the annual review. The verification of -- balances is one of the most important duties of the Audit Department and Government direct that the Review prescribed in Art 141 C.A.C. Vol.2 should be prepared every year. The last review was for the ~~year 1916-17~~ and the next should cover the period from ~~1-7-17~~ 1.7. to 30th June 1919 and be prepared as soon as the final accounts for 1918-19 are closed and submitted to Government.

16.10.19

Offg. Financial Secretary
to Government.

To
The Comptroller, Mysore Govt.
The Secretary, P.W. Department.
The Secretary, Railway Department.
The Chief Electrical Engineer in Mysore.

MK.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. Fl. 2745-48 — G. F. 254-18-5, dated 4th November 1919.

Finance Accounts of the Public Works, Electrical and Railway Departments.

Sanctions the suggestion of the Comptroller for the abolition of the preparation of separate ——.

WD 1092—GPB—18-12-19—55

Finance Accounts of the Public Works, Electrical and Railway Departments.

No. Fl. 2745-48—G. F. 254-18-5, dated 4th November 1919.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

GENERAL AND REVENUE DEPARTMENTS.

Read—

Government Order No. Fl. 746-95—G. F. 232-17-1, dated 5th August 1918, issuing instructions for systematising the preparation of Capital and Revenue Accounts of Public Works, etc., and desiring the Comptroller to submit proposals for avoiding duplication of work in the preparation of annual accounts and returns.

2. Un-official Memo No. 2937—Bks., dated 10th April 1919, from the Comptroller, submitting his proposals in the matter.

(To be read in extenso. *Vide* Annexure).

3. Letter No. P. W.—M. 2, dated 2nd July 1919, from the Secretary, Public Works Department, agreeing to the proposals of the Comptroller regarding the discontinuance of the issue of separate Finance Accounts of the Public Works and Electrical Departments.

4. Letter No. 366, dated 26th August 1919, from the Secretary for Railways, agreeing to the proposal to discontinue the preparation of separate Finance Accounts for the Railway Department.

Order No. Fl. 2745-48—G. F. 254-18-5, dated 4th November 1919.

In his note read above, the Comptroller suggests the abolition of the preparation of separate Finance Accounts of the Public Works, Electrical and Railway Departments and solicits orders for incorporating the several statements and information now contained in them in their proper places in one or other of the following returns:—

(i) Audit and Appropriation Report.
(ii) Finance and Revenue Accounts and
(iii) Review of balances.

2. The proposals of the Comptroller in paper No. 2 read above which are calculated to reduce duplication of work in the Audit Office and which have been agreed to by the Public Works and Railway Departments in so far as their departmental accounts are concerned, commend themselves to Government and are accordingly approved.

3. The Review of balances is not being prepared every year and the discontinuance of the separate annual Finance Accounts for the Public Works, Electrical and Railway Departments assumes the submission of the annual review. The verification of balances is one of the most important duties of the Audit Department and Government direct that the Review prescribed in Article 1419, Civil Account Code, Vol. 2, should be prepared every year. The last review was for the period ending 30th June 1916 and the next should cover the period from 1st July 1916 to 30th June 1919 and be prepared as soon as the final accounts for 1918-19 are closed and submitted to Government.

M. N. KRISHNA RAO,
Offg. Secy. to Govt., Financial Dept.

To—The Comptroller to Government.
The Secretary, Public Works Department.
The Secretary, Railway Department.
The Chief Electrical Engineer in Mysore.

Exd.—G. W. B.

No. FL. 2745-48—G. F. 254-18-5, DATED 4TH NOVEMBER 1919.

ANNEXTURE.

UN-OFFICIAL NOTE No. 2937—BKS., DATED 10TH APRIL 1919, FROM THE COMPTROLLER IN MYSORE TO THE FINANCIAL SECRETARY TO GOVERNMENT.

I beg to submit in this note some proposals for systematising the work relating to the submission by this office of the annual reports on accounts and audit.

2. The following reports are now prepared annually for submission to Government and also for publication in some cases.

1. Audit and Appropriation Report.
2. Finance and Revenue Accounts.
3. Review of balances. (This is not being prepared every year now.
4. Finance Accounts of the Public Works Department.
5. Do do Electrical Department.
6. Do do State and other Railways.

3. The statistical information and report included in Accounts Nos. 4, 5 and 6 appear, though in less detail, in report Nos. 1, 2 and 3. According to the present arrangement there is a great deal of overlapping matter between the first three and the last three reports. The conditions under which separate reports for the Public Works, Electrical and Railway Departments were compiled have changed completely. The arrangement under which separate annual accounts were compiled for these departments was, I think, due to there having been an Account Office for these departmental accounts separate from the department of Civil Accounts. We have now only one Account Department and the transactions relating to these three departments are accounted for in the same way as those of other departments except that the accounts kept of these departments follow the nature of the transactions conducted by them. The budget in its present form is complete in every respect and includes the detailed budgets of the three departments,—Public Works, Electrical and Railway Departments. The Authorisation Rolls and working estimates of open lines of Railway have not yet been included in the budget but their inclusion has been ordered by Government. So far as the submission of annual accounts is concerned, the most natural arrangement is to deal with work of the same nature relating to all the heads on the books of the Account Department together instead of scattering the same matter over several reports.

4. The Chief annual reports relating to accounts and audit to be submitted by the Account Department come under the following three broad divisions:—

(1) A Report on the results of audit. This is the Audit and Appropriation Report.
(2) A Report for furnishing statistical information relating to all the financial transactions of Government. This is the Finance and Revenue Account.
(3) A Review dealing with the assets and liabilities of Government and reporting if these rest on detailed accounts and on the agreements of debtors and creditors. This is the Review of balances.

5. There is no reason why matter pertaining to the Public Works, Electrical and Railway Departments and falling within the scope of these three reports should have a separate report for each of these Departments. The three reports should be comprehensive and include every information relating to all departments of the State. In this view, it seems to me that it is not necessary to prepare separate Finance Accounts for the three Departments at all.

6. I shall now note the matter included in these separate reports and how far it already appears in the first three reports noted above and where the rest of the matter which is not now included in the three reports and which, it is desirable to retain, should appear.

FINANCE ACCOUNTS OF PUBLIC WORKS DEPARTMENT.

7. I request reference to para 1755 of the Public Works Code. The Finance Accounts consist of the following:—

(1) A report containing a comparison of the year's actuals with the budget of the year and the actuals of the previous year.
(2) A report on objectionable outlay.
(3) A review of suspense balances.
(4) Schedules of Revenue and Expenditure under State Funds.
(5) Do do under other than State Funds.

The place for reporting upon the suspense balances is the review of balances. This arrangement has been adopted in British India (*vide* para 1440 A to E Civil Account Code, Volume II.) The fit place for reporting upon (2) is the Appropriation Report. Outlay under objection in all these departments is even now included in the Appropriation

Report. It has also been ordered that a quarterly review of objectionable expenditure and other irregularities in the accounts of all departments should be separately submitted to Government, *vide* Government Order No. Fl. 1928-77—G. F. 101-18-1, dated the 5th October 1918. Repetition of the same matter in the Finance Accounts is an unnecessary duplication. The Audit and Appropriation Report in its present form contains a comparison of the actuals of the year with the budget of the year and the actuals of the previous year. The report to be appended to the Finance Accounts makes the same comparison though somewhat in greater detail. The comparison of the actuals with the modified grant now made in the Finance Accounts does not serve any useful purpose and important readjustments of grants in the course of the year can be noted, if necessary, in explaining the differences between the actuals and the budget. As in the case of other heads cases of excesses over or savings on grants have to be explained in regard to these departmental heads and also in the appropriation report.

8. The proper place for item No. 4 is the Finance and Revenue Accounts. As a matter of fact details of the revenue and expenditure of the Public Works Department by major, minor and detailed heads are now included in the Finance and Revenue Accounts. The tabular statements appended to the Finance Accounts show in juxtaposition the actuals, the budget of the year and the actuals of the previous year. This however is not necessary in detail of detailed heads. In detail of minor heads this comparison is made in the body of the Audit and Appropriation Report. Items 4 and 5 appear in the Departmental Administration Reports in the form of the schedules appended to Finance Accounts. It is not necessary to repeat them again in the same form in any other place. The year's transactions under State Funds are brought on the Finance and Revenue Accounts. An appendix of original works costing Rs. 20,000 and more is attached to the Finance Accounts and this may be made an addition to the Finance and Revenue Accounts.

Finance Accounts of the Electrical Department.

9. The matter special to these accounts is the following:—

(1) List of contribution works (Page 6 of Accounts for 1916-17.)
(2) Statement of capital authorised and expended (pages 12 to 18.)
(3) Revenue Account (page 22.)
(4) Statement of Revenue Expenditure charged to Depreciation Fund (page 23.)
(5) Depreciation Fund Account (page 24)
(6) General and sectional profit and loss accounts and balance sheets. (pages 25 to 33.)
(7) Financial results.
(8) Appendices A, B, and C about working results and power generated.

Number (7) is now included in the Finance and Revenue Accounts. The others may be added to the same accounts. The rest of the matter contained in these accounts may be dealt with as in the case of the similar matter of the Public Works Department.

Finance Accounts of State and other Railways.

10. The matter special to these accounts is the following:—

(1) Detailed accounts of gross receipts and working expenses (page 20 of the accounts for 1916-17.)
(2) Detailed account of expenditure on surveys (pages 21 to 26.)
(3) Current and up to date expenditure in detail of main heads of Capital on Railways worked by Madras and Southern Mahratta Railway Company.
(4) Year's and up to date expenditure in detail of main heads of Capital, on Railways constructed by Government.

Item No. (1) is already included in the Finance and Revenue Accounts. Item No. (2) may be added to the Finance and Revenue Accounts. Items Nos. 3 and 4 are included in the Finance and Revenue Accounts but not in detail of main and sub-heads of Capital Account. The account now included in the Finance and Revenue Accounts can be amplified in the form of that in the Finance Accounts, if necessary. The rest of the matter contained in these accounts can be dealt with as in the case of the similar matter of the Public Works Department.

11. In para 12 of Government Order No. Fl. 746-95— G. F. 232-17-1, dated the 5th August 1918, issuing instructions systematising the preparation of Capital and Revenue Accounts of Public Works, etc., I have been asked to avoid duplication of work as far as possible and submit to Government any changes in the form of the separate Capital and Revenue and Finance Accounts of works relating to Railway Irrigation, Public Works other than Irrigation and Hydro-Electric Power Works. The suggestions contained in the foregoing paragraphs are in accordance with this order.